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UNCLAS SECTION 01 OF 03 PHNOM PENH 000515

SIPDIS

SENSITIVE
SIPDIS

STATE FOR EAP/MLS, EAP/RSP, INL/AE--CHARLES BOULDIN,
OES--ANTOINETTE CONDO
BANGKOK FOR NAS--TERRY DARU, DEA--SCOTT SEELEY-HACKER, PAT
CHAGNON, AND JOHN SWAIN, AND REO--JIM WALLER
HANOI FOR DEA--JEFFREY WANNER AND POL--PETER ECKSTROM
VIENTIANE FOR NAS--CLIFF HEINZER
PACOM FOR JIATF-WEST--DAVID KILBOURN

E.O. 12958: N/A

TAGS: [SNAR](#) [PGOV](#) [ASEC](#) [SENV](#) [CB](#)

SUBJECT: METHAMPHETAMINE SUPERLAB DISCOVERED; EIGHTEEN
ARRESTED IN CAMBODIA

1. (SBU) Summary. An April 1 police raid of two locations in Cambodia uncovered a large methamphetamine drug lab and resulted in the arrests of 18 individuals and the seizure of four tons of chemicals. A Drug Enforcement Administration (DEA) official who assisted in the aftermath of the raid stated that the "superlab" may be among Southeast Asia's largest. The properties are reportedly owned by a former advisor to FUNCINPEC party leader Nhek Bun Chhay, though there are rumors that the land was in fact given to Nhek Bun Chhay. UN Office of Drugs and Crime and DEA officials will come to Cambodia in the next few days to assist the police in assessing the drug lab, identifying the chemicals involved, and developing a plan to address the extensive environmental damage. The discovery of this superlab demonstrates that in addition to serving as a transit route for drug smugglers and developing a growing drug use problem, Cambodia has now joined the ranks of drug producers as well. End Summary.

Cambodian "Superlab" May Be One of Region's Largest

2. (SBU) On April 1, Cambodian Anti-Drug Police (CADP) arrested 18 individuals and raided two locations involved in the production of methamphetamines. While one location, a house in Phnom Penh, was likely only used to store chemicals, the second location, a 20-hectare property in Kampong Speu province, was likely the site of major methamphetamine production. According to Bangkok-based Drug Enforcement Administration Special Agent Scott Seeley-Hacker, who came to Cambodia on April 1 to assist the Anti-Drug Police in assessing the situation, this lab was one of the largest yet discovered in Southeast Asia, and is equivalent to the size of superlabs found globally. Chan Keevin of the UNODC said that if the CADP and DEA estimates of chemicals present at the sites was correct, the lab would be considered "very huge." Police and DEA agents estimate that there are three tons of chemicals at the Kampong Speu site, enough to produce approximately 100 lbs. of pure methamphetamines. (Note: CADP Chief Moek Dara reported that an additional one ton of chemicals was recovered from the storehouse in Phnom Penh. End Note.) According to the UN Office of Drugs and Crime (UNODC) in Bangkok and the National Authority for Combating Drugs, 100 lbs. of pure methamphetamine would yield roughly 500,000 tablets with a street value of USD 1.5 million in Phnom Penh or USD 7 million in Thailand, the typical immediate destination for drugs transiting Cambodia.

3. (SBU) Although Cambodian police and DEA agents were not

able to conclusively identify all the chemicals present, they suspect that 1,500 liters of an unidentified liquid are the highly caustic chemical thionyl chloride used in making an "ephedrine reduction"--the first stage in one methamphetamine manufacture process. Seeley-Hacker also noted that one full 50 gallon drum of acetone and four empty 50 gallon drums believed previously to have contained acetone were discovered. Because acetone is used in the final stage of crystal methamphetamine production, Seeley-Hacker believes that the empty acetone drums indicate that several batches may have already been produced. Seeley-Hacker further noted that the thionyl chloride manufacturing process used at this house is not common in the United States but has been seen in other labs in Southeast Asia. According to statements from villagers and a family living at the Kampong Speu site, the lab had been in operation for about eight months.

Drug Lab Connected to Senior Government Official?

14. (SBU) According to CADP Chief Moek Dara, both the Kampong Speu and Phnom Penh properties are registered to Chea Chung. Chea Chung, reportedly a military colonel, served as advisor to Nhek Bun Chhay, the Secretary-General of the royalist party (FUNCINPEC) and coalition partner with the ruling CPP in Cambodia's government, when Nhek Bun Chhay was co-Minister of Defense. Some sources say that the two had a close relationship, with Chea Chung making large donations to FUNCINPEC and Chea Chung and Nhek Bun Chhay sometimes sharing a house or apartment. According to FUNCINPEC, however, Chea Chung ceased advising Nhek Bun Chhay one year ago and they have no relationship today. There are persistent rumors from Nhek Bun Chhay's political rivals as well as local villagers that the Kampong Speu land was in fact bought by Chea Chung

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and given to Nhek Bun Chhay, with the implication that Nhek Bun Chhay must have at least been aware of the drug production. One political rival stated that a car belonging to Nhek Bun Chhay was found at the property. Moek Dara said that he had also heard the rumors of Nhek Bun Chhay's involvement but could not comment on them.

Tip from Villagers Led to Raid, 18 Arrests

15. (SBU) CADP Chief Moek Dara told Poleconoff that police had been investigating the Kampong Speu compound for about one month prior to the raid. Villagers had noticed unusual activity and smells and, despite being told by the drug producers that the compound was merely producing herbicides, some of them alerted the police. Two police officers were able to infiltrate the drug-producing network and provided information about production planned for March 20 and April 1. Police were unable to act on the March 20 production date because Moek Dara was out of the country. Moek Dara reported that senior government officials carefully considered whether or not to allow a raid on April 1, the day of local elections, because they were concerned that it would be difficult to assemble a large force on that day when police officers were needed to provide security for polling stations and must also be given an opportunity to vote. In the end, however, both Cambodian National Police Chief Hok Lundy and Minister of the Interior Sar Kheng approved the raid.

16. (SBU) The police arrested a total of 18 individuals. In Kampong Speu, they arrested two Chinese men believed to be technical experts, one Thai man thought to have been called in to provide additional technical assistance when initial batches of the drug proved to be low quality, and 14 male Cambodian laborers. In addition, police arrested one Chinese woman at the Phnom Penh storehouse. The Chinese woman, 28-year-old Raun Yan, has been charged with drug smuggling and production; the others remain in jail while the government tries to transfer their cases to the Phnom Penh municipal court. Moek Dara has been quoted in the press as

speculating that the Cambodian laborers may not have known what they were producing and may be released. The police are still looking for Chea Chung, the owner of the properties.

Superlab Leaves Significant Environmental, Health Damage

17. (SBU) In addition to the huge law enforcement aspect, the discovery also has significant environmental and social consequences. During the eight months that the lab has likely been in operation, the producers have been dumping waste chemicals directly on to the ground, creating a huge dead area on the property and likely contaminating the groundwater as well. In addition to this existing environmental damage, which should be addressed, the remaining four tons of chemicals need to be identified and responsibly discarded. Such an undertaking is likely to be costly -- Seeley-Hacker reports that a similar clean-up done in Malaysia by a Singapore-based company cost USD 200,000. The Cambodian government has formed a commission including the Ministries of Environment and Health to work on clean-up plans, but will likely have difficulty funding such an expensive effort.

18. (SBU) The drug lab has already led to significant health problems among exposed individuals. A family of five was hired to tend cattle on the property, and they have developed open sores, swollen faces, and hacking coughs as a result of chemical exposure. However, the family refuses to leave the property as they say they have nowhere else to live. Moek Dara reported that the two Chinese suspects were vomiting blood when arrested. Due to the likely groundwater contamination and wildlife eating or drinking from contaminated areas, the local population may have been exposed as well. Police officers at the scene lack appropriate hazmat suits and apparently explored the compound wearing only flip-flops when the lab was first discovered. DEA plans to send hazmat suits to Cambodia with the chemical assessment team.

DEA, UN Staff to Help Assess Drug Lab

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19. (SBU) Bangkok-based UNODC staff will be coming to Cambodia in the next few days to assess the situation. The DEA is also assembling a team of staff from the US, China, and Thailand with expertise in chemistry, clean up, and tracing the origin of chemical precursors. The team is scheduled to arrive on Saturday. The DEA team plans to bring additional hazmat suits for the Cambodian police and clothing for the affected family.

Comment

110. (SBU) The discovery of this drug lab, if it turns out to be one of Southeast Asia's largest as some suspect, represents a shift in our understanding of Cambodia's drug situation. The conventional wisdom has long been that Cambodia was primarily a drug transit country with a growing population of drug users. There were rumors of small, mobile methamphetamine labs operating in remote northwestern Cambodia as well as in houses in Phnom Penh, but no indications of major production. Now Cambodia has officially joined the ranks of drug producers. The Cambodian Anti-Drug Police's performance on this bust is consistent with what we have seen over the past year: when presented with a tip, either from DEA or local villagers, the CADP will actively follow up and can effectively lead a raid and make arrests. However, we continue to have serious doubts about their ability to pro-actively investigate cases and uncover large drug networks. It is also noteworthy that decision making is all done at the top -- both the Interior Minister and the head of the National Police had to sign off on the raid, and

conducting a raid when CADP Chief Moek Dara was out of the country was not even considered.

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